

# **2000 discharge: European Agency for reconstruction financial accounts, aid for Kosovo**

2001/2238(DEC) - 18/02/2002

The Council examined the Report of the Court of Auditors, which audited the financial accounts of the European Agency for Reconstruction for the financial year ending on 31 December 2001 and assessed the Agency's efficiency not only at the level of its organisational structure but also with respect to its operational budget management and its aid programme implementation in Kosovo. The Council also examined the replies of the Agency and of the Commission. The Council welcomed the fact that the Agency had demonstrated a high level of efficiency in terms of administration and budget management, with significant rates of commitment and payment of appropriations in 2000. The Agency has thus fulfilled the objectives for which it was set up. The subsequent extension of the mandate of the Agency to the FRY and FYROM shows the important role it plays in the reconstruction of the region. The Council noted that, in Kosovo, the Agency will have to manage the transition from emergency aid, an activity involving rapid disbursement, to help for capacity-building, which is more difficult to implement, while remaining ready to take urgent action should circumstances require. As the emergency phase within Kosovo is coming to an end, the Agency will apply the normal Community rules for all tendering and contracting, including open international tender. The Council welcomed the measures already taken by the Agency and by the Commission in response to some of the recommendations, such as the introduction of a new computerised budgetary accounts system at the end of 2001 and the initiation of discussions with the United Nations Mission in Kosovo (UNMIK) on sectoral policies. It noted the Commission's assurance that the Court of Auditors' recommendations concerning the functioning of the Agency's Governing Board and its interaction with the CARDS Committee have been broadly covered with the adoption of Council Regulations 2667/2000 and 2666/2000, which helped clarify relations between the two bodies and introduced strategic frameworks for each country, including multiannual programming. These latter measures also respond to the Court's wish for a policy framework to be defined as well as a medium and long-term strategy. The Council also pointed out that the Agency's programmes reflect the EU's desire to facilitate the implementation of United Nations Security Council Resolution 1244 and the importance it attaches to the principles of the Stabilisation and Association Process. While acknowledging the particular circumstances in which the Agency has been obliged to operate, the Council stressed the importance of ensuring the sustainability of the investments financed by the EU in Kosovo. The Council endorsed the other recommendations made by the Court of Auditors, particularly those concerning the need to show in future budgets the estimated annual payment appropriations required for subsequent financial years and to continue to focus the Agency's human and financial resources on the latest reconstruction priorities. It welcomed the steps already taken by the Agency and the Commission to implement the Court's other recommendations and urged them to pursue this course of action vigorously. The Council invited the Commission to report to it before the end of 2002 on further action taken on the Court of Auditors' Report.